Housewares Weaken, But Should Recover By 2nd Quarter of '87

GADGETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Rhod 29031 Dazy Bell Timr	2,935	6.39	18,754.65
2	Swin 407/1 Port Open Asst	3,595	4.59	16,501.05
3	Brom 119 4 Sided Grater	8,691	1.56	13,557.96
4	Ahsw 1574 4pk Paring Knif	7,464	1.28	9,553.92
5	Brom 39 3 Cp Flour Sifter	3,517	2.24	7,878.08
6	Ekco 00050 Peeler	5,784	1.25	7,230.00
7	Ekco 08652 Can Opener	4,786	1.44	6,891.84
8	Ahsw 1554 Steak Knives	3,809	1.77	6,741.93
9	Alab 67024 Fly Swatter	19,619	0.33	6,474.27
10	Ekco 30761 Sm Turner Nyl	4,149	1.53	6,347.97
11	Kwik TE60 Greens Chopper	4,230	1.49	6,302.70
12	Hook 73 Over Door Valet	4,048	1.40	5,667.20
13	Ekco 00140 Pizza Cutter	3,911	1.43	5,592.73
14	Ekco 30401 Pan Turner Nyl	3,454	1.53	5,284.62
15	Chup 103 Paring Knife	2,189	2.40	5,253.60

CORNING VISIONS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	V-300 Saucepn St 6pc	2,434	37.02	90,106.68
2	V250P Sauc & Skil St	2,566	17.47	44,828.02
3	V581P 5qt/Free Sauce	1,404	20.84	29,259.36
4	V-20 1.5qt Dubl Blr	1,106	21.48	23,756.88
5	V-2.5 Cov Pan 2.5qt	1,270	17.40	22,098.00
6	V-5 Cov Saucepan 5qt	866	20.84	18,047.44
7	V-9 Vision Skillet 9	1,514	10.60	16,048.40
8	V-1 Cov Saucepan 1qt	1,209	12.14	14,677.26
9	V-1.5 Cov Pan 1.5qt	1,006	14.18	14,265.08
10	V-10 Vision Skill 10	858	15.27	13,101.66
11	V-370 7pc Vision St	201	52.81	10,614.81
12	V-6 Vision Skillet 7	1,195	7.92	9,464.40
13	V-360 6pc Cov Set	213	41.40	8,818.20
14	V-3.5 Cov Stm/Stw	445	19.35	8,610.75
15	V-10-H Vis Skill 10	321	15.90	5,103.90

BATH SHOP

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Self 443-94 Portabl Showr	1,967	8.23	16,188.41
2	Mafr 66TT Toilet Seat Wht	1,746	7.50	13,095.00
3	Self 2208-94 Tissue Holdr	5,925	1.27	7,524.75
4	Mafr 13D Toilet Seat Wht	560	12.15	6,804.00
5	Self C441-94 Shampoo Spry	3,454	1.82	6,286.28
6	Kelg 210C Bowl Brush Plas	5,986	0.91	5,447.26
7	Mafr 44D Toilet Seat Wht	605	8.92	5,396.60
8	Naut N8773 Essex Oak Cbnt	130	39.51	5,136.30
9	Naut N323LP Ventura Cabnt	118	42.94	5,066.92
10	Magn M100 Toilet Seat Wht	623	7.45	4,641.35
11	Ekco 38110 18" Towel Bar	2,201	2.00	4,402.00
12	Magn M3000 Soft Seat Whte	322	13.20	4,250.40
13	Self 2110-94 Twin Robe Hk	4,092	1.01	4,132.92
14	Ekco 38170 24" Towel Bar	1,704	2.34	3,987.36
15	Self 2274-94 Towel Bar 24	2,184	1.76	3,843.84

MICROWAVE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Rubb 8527 7pc Spc Sav Set	855	23.23	19,861.65
2	Micr PA600/112 Turntable	564	28.22	15,916.08
3	Micr PM486/T1 Divdd Plate	2,390	5.40	12,906.00
4	Micr PM400/158 Brw Skilet	429	26.06	11,179.74
5	Micr PA600/113 Turntable	410	26.06	10,684.60
6	Micr PM469/T1 Bacon Rack	1,830	5.40	9,882.00
7	Micr PM481/T1 Utility Pan	1,296	5.40	6,998.40
8	Micr PM446/T1 Rd Bacon Rk	1,278	5.40	6,901.20
9	Micr PH500/305 4P Bowl St	3,144	2.15	6,759.60
10	Micr PM400/126 Popcrn Ppr	636	10.10	6,423.60
11	Micr PH500/303 Ov Cass St	2,711	2.15	5,828.65
12	Micr PH500/309 Ramekin St	2,698	2.15	5,800.70
13	Micr PH500/307 Rd Cass St	2,663	2.15	5,725.45
14	Corn MW-11-S Brown Grill	450	12.66	5,697.00
15	Rubb 5519 Bacon Rack	1,114	5.05	5,625.70

TABLEWARE SETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Corl 116-23 16pc Morn Blu	2,402	23.27	55,894.54
2	Corl 116-24 16pc Burgundy	2,097	23.27	48,797.19
3	Corl 116-4 16pc Gold	1,916	23.27	44,585.32
4	Corl 116-95 16pc Col Mist	1,762	23.27	41,001.74
5	Corl 116-29 16pc Rib Bouq	1,640	23.27	38,162.80
6	Corn 5016-73 Calco Rse 16	853	29.90	25,504.70
7	Corn 5016-76 Lace Bouq 16	824	29.90	24,637.60
8	Corn 5016-74 Windflowr 16	666	29.90	19,913.40
9	Corl 116-N 16pc White	687	23.27	15,986.49
10	Corn 5016-75 BLue Flwr 16	526	29.90	15,727.40
11	Corl 116-170 16pc Blu Lil	452	23.27	10,518.04
12	Corl 220-451 20pc Peach	330	29.90	9,867.00
13	Corl 220-453 20pc Normandy	330	29.90	9,867.00
14	Corl 116-20 16pc Indigo	410	23.27	9,540.70
15	Drnd 0655522 Florentn 16pc	363	21.49	7,800.87

COOKWARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Kenc 75210C 7pc Cpr Bottm	966	14.46	13,678.56
2	Fory 797-79 7pc Pol Ss St	543	18.81	10,213.83
3	Regl W3270 10" Goumet Pn	1,728	5.12	8,847.36
4	Miro 1487-34 7pc Ckwear	384	21.96	8,432.64
5	Regl W3271 12" Goumet Pn	1,152	7.18	8,271.36
6	Lodg 8SK2 Skillet 10-1/2	1,336	5.45	7,281.20
7	Regl W3269 8 1/2 Goumet Pn	1,591	3.44	5,473.04
8	Norm 320D 2qt Scpan Almn	2,076	2.52	5,231.52
9	Norm 312 12qt Cv Pot Alm	567	9.00	5,103.00
10	Miro W0786-34 Fry Pan 10	708	6.82	4,828.56
11	GHSW 0707 21qt Cov Canner	330	13.89	4,583.70
12	Norm 310D 1qt Scpan Almn	2,364	1.89	4,467.96
13	Norm 376 6qt Cov Pot Alm	636	6.75	4,293.00
14	Kenc MB-13 13qt Ss Bowl	1,063	3.60	3,826.80
15	Kenc 6001C 16qt Cnd Stkpt	207	17.58	3,639.06

BEVERAGE SETS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Anch 3600/810 Bev Set 24	3,813	10.29	39,235.77
2	Drnd 8050130 24pc Lancer	973	14.91	14,507.43
3	Anch 3700/128 24pc Clear	1,168	10.15	11,855.20
4	Drnd 0655001 Romantiq 16pc	475	24.89	11,822.75
5	Anch 2100/103 Tempo Clr18	1,015	6.93	7,033.95
6	Anch 3300/279C Arlingtn 18	599	7.92	4,744.08
7	Anch 3600/802A Court Cl24	275	16.59	4,562.25
8	Drnd 3053088 Classiq 18BV	212	14.78	3,133.36
9	Drnd 3053025 Baron 16pc BV	201	13.62	2,737.62
10	Drnd 3053147 Tivoli 24pc	215	12.12	2,605.80
11	Drnd 8058236 18pc Lanc St	184	13.65	2,511.60
12	Drnd 0655000 Provincl 16pc	76	26.94	2,047.44
13	Drnd 3053188 Harmny ST 18	183	9.52	1,742.16
14	Anch 3600/821 Terrac 18pc	274	5.46	1,496.04
15	Anch 883700/129 24pc Saph	130	10.15	1,319.50

LAUNDRY CHEMICALS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Texi 182 Yes Lndry Det 64	10,708	5.20	55,681.60
2	Clrx 0104 Clorox Bich Gal	22,632	1.45	32,816.40
3	P&G 96oz Liquid Tide	2,186	8.58	18,755.88
4	P&G 64oz Era King Size	3,227	5.75	18,555.25
5	P&G 64oz Liquid Tide	3,098	5.75	17,813.50
6	Clrx 0303 Clorox 2 40oz	5,636	2.38	13,413.68
7	Boyl 215 Spray Starch 22	10,080	1.31	13,204.80
8	Levr Snuggle Fab Sof 64oz	4,012	3.21	12,878.52
9	Boyl 6122 Wlite Liq 12oz	7,488	1.68	12,579.84
10	P&G 42oz Tide Giant Size	3,751	3.24	12,153.24
11	John 42252 32oz Shout (50¢ off)	4,800	2.48	11,904.00
12	Levr Wisk 64oz	2,029	5.66	11,484.14
13	P&G 9169 Bounce 40' S	3,671	3.00	11,013.00
14	John 10181 Future 16oz.50	4,764	2.00	9,528.00
15	P&G 64oz Lq Tide (50¢ off)	1,512	5.75	8,694.00

CORNING

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	A-33-93 Trio St Past	710	19.94	14,157.40
2	A33 Trio Set Crnflwr	542	19.94	10,807.48
3	A-3-93 Cov Cass Past	634	15.66	9,928.44
4	A-1 1/2-93 Cass Past	728	11.31	8,233.68
5	A338 Trio Set Spice	352	19.94	7,018.88
6	P-104-93 Teapot Past	454	14.62	6,637.48
7	F-2 Cov Ovl Casrol 2	369	16.27	6,003.63
8	430-045 Bwl St Rnbo	528	10.92	5,765.76
9	A-5-93 Cov Cass Past	306	18.28	5,593.68
10	430-166 Bwl St Autmn	498	10.92	5,438.16
11	A-1 1/2-8 Cov Ds Spc	453	11.34	5,137.02
12	P-150 Grab-It 15oz 2	662	7.45	4,931.90
13	A-1 1/2 Covr Ds Crnf	398	11.31	4,501.38
14	F-1 Cov Rd Cassrol 2	270	16.27	4,392.90
15	P-104-8 L Cup Teapot	297	14.65	4,351.05

RUBBERMAID

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	2890 30gal Rghnck Ch	2,679	14.00	37,506.00
2	2965 Lndy Bskt Slate	5,237	5.07	26,551.59
3	2892 20gal Can Choc	1,751	14.14	24,759.14
4	2965 Lndry Bskt Almn	4,613	5.07	23,387.91
5	2965 Lndry Bskt Choc	3,978	5.07	20,168.46
6	2864 Swgtp Wbsk Site	2,304	7.45	17,164.80
7	2894 32gal Garb Can	880	18.03	15,866.40
8	0450 Bath Mat Lt Blu	5,111	2.91	14,873.01
9	0450 Bath Mat White	5,009	2.91	14,576.19
10	8765 Ice Tray Dsplay	10,364	1.37	14,198.68
11	2858 Step-On Can Alm	1,147	11.49	13,179.03
12	2858 Step-On Can Cho	1,103	11.49	12,673.47
13	0450 Bath Mat Almond	3,709	2.91	10,793.19
14	2850 Cov Wst Bskt Ch	1,428	7.45	10,638.60
15	2850 Cov Wbskt Slate	1,350	7.71	10,408.50

Source: Schreiber Co., distributor, Lititz, Pa., for April through June 1986, covering 825 stores, including 725 discount stores, in the Northeast, Southeast, mid-Atlantic.

By ARNOLD REINHARD
Vice President, Sales and Marketing, Schreiber Company

The weak economy, which has certainly impacted discounter sales this year, has cast a shadow on the housewares business.

But by the second quarter of 1987, we should begin to see at least a glimmer of light at the end of the tunnel as retailers tighten assortments and manufacturers add spice to departments with new products.

In addition to current economic conditions, the unusually warm autumn we've experienced here on the East Coast has lowered overall store traffic, resulting in lowered sales in housewares.

Shoppers who would ordinarily be in the store shopping for the new fall apparel selections are lacking the incentive of cold weather. As a result, there are fewer people in the stores to buy hard lines.

Holiday Cooking Impetus

Holiday cooking needs will, of course, bring shoppers back to housewares later this quarter, but a real turnaround isn't expected until next year.

Retailers, becoming reductive following the Christmas season, will continue to drop items that just won't sell like they used to due to competition from supermarkets.

The result of the tightened discounter assortment will be higher sales per square foot.

In addition to the changes retailers will have made, by early summer of next year, manufacturers should have retargeted their promotions and will have shipped new products unveiled at the January housewares show.

Beyond overall economic and weather problems, the intensely promotional climate in housewares is compounding the problem of low sales volume with narrowing margins.

Retailers, competing to get those declining sales dollars, have been cutting prices.

In fact, in cases where a retailer wants to undersell the competition on a particular item, he could end up giving the consumer a wholesale price tag, especially when coupled with a manufacturer rebate program.

In bakeware and microwave cookware, it's possible we'll be seeing heightened competition during the quarter due to new product innovations in these categories.

Corning is scheduled to introduce a new line of nonstick glass bakeware called Clear Advantage next month. Margins on this line should be better than the market leader, Baker's Secret by Ekco—at least, at first.

The Clear Advantage line includes six items: a 9-in. cake pan, 9-in. pie plate, 13-in. oblong pan, 8-in. cookie sheet, a loaf pan and a 2-qt. casserole.

As far as how the pricing of the Ekco and Corning lines compare, the Clear Advantage cake pan, while introduced at a special price of $5.99, will probably have an-

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HOUSEWARES: PRODUCT MOVEMENT AUDIT

Turnaround in Housewares Expected By Second Quarter of '87

(Continued from page 33)

everyday price of $6.99. A comparable size Baker's Secret pan retails at about $4.49.

It seems to me what we're talking about here are two different shoppers, and the Clear Advantage sales should represent additional purchases, ones that might not otherwise have been made.

I don't see the Ekco and Corning customer as being one and the same; Ekco sales shouldn't suffer as a result of the new Corning line, but it's possible the two vendors might take a promotional stance in the event that there is more overlap among their customers than expected.

Microwave Cookware Battle

A similar situation has arisen in microwave cookware. Corning is launching a new line of microwave cookware which is also designed for food storage. It is more or less an upgrade of Rubbermaid's Servin' Saver line.

The Corning line, Storage Plus, will be made of glass which can withstand high heat in the microwave oven.

The Rubbermaid line, which is made of plastic, can withstand temperatures around 400 degrees. After that, it tends to melt.

Once again, we're talking about two different customers here, and I don't think the Storage Plus line will detract from Rubbermaid sales.

The two lines will end up with margins that are at or near the same level. As far as pricing is concerned, a 7-cup rectangular Servin' Saver dish retails for about $2.39, while a 6-cup Storage Plus item sells at about $4.99.

Corning, which will be introducing these two new product lines next month, is having some trouble keeping retailers stocked on its Visions cookware line, still relatively new to discounter shelves.

The Visions cookware line, with volume that merits a separate category for our bookkeeping purposes, has been having some production problems. Corning said it hadn't projected the product line's overwhelming success.

Another category which continues to be active is glassware. Anchor Hocking, Libbey and Durand single-pack tumblers—first introduced about a year ago and recognized by discounters six months later—by now are in most assortments.

Multipacks are being phased out, with the exception of stemware which is still basically a four-pack business.

So far, there have been no major retailer ads on the single packs; most discounters continue to rely on the 18- and 14-piece sets for promotions.

The success of the single packs is largely due to the value to the consumer. Two singles retail for about $1.99 and three singles for about $2.99. Four packs sell at about $5.

In beverage sets, Anchor Hocking and Durand continue to battle it out, each responsible for about half of the set business.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	PYREX			
	6230-F Casserol/Bskt	1,629	8.13	13,243.77
2	300-95 3pc Bowl Cl M	964	11.33	10,922.12
3	300-80 Shen Bowl Set	917	11.33	10,389.61
4	300-61 Bowl Set Frst	884	11.33	10,015.72
5	2320-F 2qt Dsh/Bskt	1,032	9.10	9,391.20
6	3525TP Tw Pk Juic Jg	2,280	4.09	9,325.20
7	300-49 3pc Bowl Weat	772	11.33	8,746.76
8	516 16oz Meas Cup	3,202	2.65	8,485.30
9	95 Mix Bowl Set 3pc	1,150	6.83	7,854.50
10	508 8oz Measure Cup	3,696	2.13	7,872.48
11	232 Utility Dish 2qt	1,620	4.75	7,695.00
12	2220-F Sq Cake/Baskt	946	8.13	7,690.98
13	229 9" Deep Pie	2,826	2.54	7,178.04
14	463-D 6oz Custard	2,238	2.96	6,624.48
15	532 32oz Meas Cup	1,683	3.79	6,378.57

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	CLOSET SHOP			
1	Mabx 288 Moth Balls 1lb	26,452	1.22	32,271.44
2	Lee 3X62 Garmet Rak Brwn	2,196	13.41	29,448.36
3	Tamr 6878/144A Bulk Tb Hn	179,424	.11	19,736.64
4	Corr C2410 Stor Chest Cdr	10,895	1.46	15,906.70
5	Lee 3150 Overdoor Rack	1,124	13.54	15,218.96
6	Tamr 6878/144B Ast Pstl H	116,208	.11	12,782.88
7	Corr C2806 Underbed Ch Cd	7,750	1.46	11,315.00
8	Lee 1562 Ex Stor Clos Wt	374	27.54	10,299.96
9	Mabx 452 Cedar Block	7,386	1.26	9,306.36
10	Corr M755 3pc Skirt Hang	5,022	1.82	9,140.04
11	Mabx 287 Moth Flake 1lb	7,097	1.22	8,658.34
12	Mabx 129 Hang Block Lavnd	6,287	1.26	7,921.62
13	Corr W2112 Sm 4 Drawr Cht	892	7.53	6,716.76
14	Mabx 447 Para Nugts 2.5	1,515	4.34	6,575.10
15	Tamr 7910 9pr Shoe Rack	2,862	2.30	6,582.60

Source: Schreiber Co., distributor, Lititz, Pa., for April through June 1986, covering 825 stores, including 725 discount stores, in the Northeast, Southeast, mid-Atlantic.

Don't be embarrassed if you picked the steer's head. A lot of people do.

But let's face it. Not everyone in Dallas has the same tastes as J.R. Ewing.

Actually, you'll never have to worry about what to stock or what styles sell best. That's the responsibility of Kenney service reps nationwide.

Depending on your store's size, a Kenney rep will visit every 2, 3 or 4 weeks.

And because each store receives personal attention, you're guaranteed more efficient ordering tailored exactly to the local buying patterns in each one of your stores.

Frequent visits also mean lower inventory levels and help eliminate stockouts and lost sales. Not to mention a better looking display.

Furthermore, Kenney service reps work with your store managers, department managers and sales people. Training them to maintain the display and effectively manage Kenney's full line of vinyl and

NMRI's Cornell Study: Discounters Net Sales Hit Record High

(Continued from page 1)
stores with sales of $27.1 billion.

The study was done in two parts: Section One includes an analysis of all operating expenses as distributed among the various cost responsibility centers (human resources and real estate were added to this year's study). Data is measured as a percent of sales in groups according to sales volume, gross margin percentage, total expense percentage and payroll percentage.

Identical Firm Analysis Gross Margin, Expense and Earnings—% of sales

	Percent of Sales	
	1984-85	1985-86
Number of (Identical) Firms	25	25
Gross Margin	28.12	28.55
Leased Department Income	0.44	0.34
Gross Income	28.56	28.89
Total Expense	23.32	23.89
Net Operating Profit	5.24	5.00
Other Income or Loss	– 0.33	0.32
Net Other Income	—	– 0.33
Earnings Before Income Tax & LIFO	4.91	4.67
LIFO Reserve	0.00	0.06
Earnings Before Income Taxes	4.91	4.73
Federal & State Income Taxes	2.18	2.06
Net Earnings After Taxes	2.73	2.67

Source: NMRI

Following are some of the highlights of Section One of the 1985-86 Cornell study, which overall indicated that discounters continued to tighten up expenses:

- Average volume per store for all firms rose 11.8% to $8,387,000;
- Average sales per square foot of selling area increased 2% to $160;
- Average sales per square foot of total store area dropped 8.6% to $126;
- Return on equity for all firms—the ratio of net earnings after taxes to net worth—remained about the same at 18.6%;
- Return on assets for all firms—ratio of net earnings to total assets—was 7.7%;
- Gross margin for all firms was up slightly from 28.30% to 28.54%;
- Stock turns for all owned departments, based on average monthly inventories, increased from 3.48 to 3.69;
- Stock shortage retail value as a percentage of sales declined from 1.55 to 1.51;
- Total expenses increased slightly from 23.65% to 23.88%.

Section Two of the NMRI's Cornell Study features the Mass Retailers' Merchandising Report, which presents data for 25 discounters in two classifications—sales above $400 million and sales below $400 million.

The firms have participated in the study for two or more consecutive years, and as a result are strong indicators of industry trends. Thirty-seven merchandise departments are profiled in terms of sales distribution, cumulative markup, stock shortages, markdowns and gross margins.

Among the key highlights of Section Two for identical discounters with sales above $400 million are:

- Average store sales increased to $8,790,000 from $7,867,000 in 1984-85;
- Sales per square foot of selling area were down slightly from $162.75 to $161;
- Total expenses were up slightly from 23.13% to 23.55%.

Copies of the complete report are available from the New York office of the NMRI.

Chains' Total Expenses Decline

	Percent of Sales	
	1984-85	1985-86
Number of (Identical) Firms	25	25
Total Payroll	11.22	11.46
Supplies	0.75	0.83
Communications	0.27	0.28
Travel	0.21	0.22
Services Purchased	0.66	0.76
Advertising	2.33	1.95
Taxes and Licenses	1.46	1.58
Utilities	1.12	1.05
Insurance	0.61	0.65
Property Rentals	1.85	1.68
Equipment Rentals	0.37	0.32
Depreciation & Amortization	1.08	1.26
Repair and Maintenance	0.61	0.65
Donations	0.02	0.02
Professional Services	0.09	0.12
Pensions & Profit Sharing	—	0.27
Preopening Expenses	—	0.18
Unclassified	1.14	0.92
Miscellaneous Income	—	– 0.34
Total Expenses	23.33	23.85

Source: NMRI

Danners Reduces Prices In Last-Ditch Strategy

(Continued from page 3)
Much of the advertising budget will be diverted to ROP newspaper advertising, as well as some radio and television spots.

Bolsinger blamed recent sales declines on competition from chains such as K mart and overall economic problems in the rural markets Danners serves.

Steven Tishman, of Bear, Stearns, said he hopes the lender group will waive the current violations. In any event, he is developing strategies to strengthen the Danners balance sheet.

Danners had implemented staff cuts and reduced advertising programs earlier this year to offset depressed sales and gross margin.

The company reported a net loss of $907,000 for the six months ended Aug. 2, compared to a loss of $139,000 for the comparable period a year earlier. Sales for the period slumped to $69.9 million from $86.4 million in 1985.

Store sales for the quarter were down 11%, while the year to date figures were down 9%.

Last year, the company closed its $190 million variety store division, its 13-unit restaurant division (consisting of 12 Cambridge Inn Cafeterias and one Danner Bros. Restaurant) and "danners!," the company's frame, stationery and crafts stores.

These operations were closed so Danners could concentrate its efforts on its discount store division.

Danners operates 35, 3D Discount stores in Indiana, Illinois and Michigan.

Correction

In *DSN's* story about first-half discounter results in the Sep. 8, 1986, issue, the sales gain for the Wholesale Club for the first six months of its current fiscal year, compared to the previous year, was reported incorrectly . The correct percentage increase was 80%, based on sales of $54 million, compared to $30 million in the previous fiscal year.

Answers: *1.c, 2.b, 3.b, 4.a, 5.c, 6.b, 7.b, 8.c, 9.c, 10.b, 11.a, 12.c.*

DISCOUNT STORE NEWS

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Heck's Supports Drug Fight Effort

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The shirts are merchandised in a 5-ft. square area at the front of the store with overhead POS signage.

If the apparel line becomes larger and is offered year-round as is planned, Bender said he might have to put the Just Say No merchandise in with other apparel items.

Even if the clothing is blended into the overall apparel assortment, Just Say No always will be featured in the category, he said.

In conjunction with the clothing sales, Bender said the company might extend the program to include non-apparel items.

"For example, we might take item X, run it as a special sale saying that a certain percentage of the sales price will go to drug enforcement."

T shirts retail for $3.96 each. Heck's has ordered 6,000 shirts to start, which represents about an $8,400 contribution to drug enforcement.

The foundation supplies local Just Say No clubs with handbooks, program guidebooks, posters, and in the spring will offer a national magazine encouraging kids to resist pressures to take drugs

"We're essentially the governing body for over 10,000 clubs across the country," said Tom Adams, executive director of Just Say No.

"We serve as a resource, a sort of rudder to make sure the kids are getting the materials they need to strengthen their clubs and generate additional ones," Adams said.

At Gold Circle, Alan Morris, director of public affairs, said the chain is deciding whether to support the Just Say No program or another drug service called Youth to Youth, which organizers older teenagers to counsel their younger peers on drug abuse.

Victor Scire, vice president, sales promotion at Jamesway, said he is working on getting Just Say No pamphlets into stores and might undertake a program similar to that of Heck's.

Senate Pushes Video Antipiracy Bill

(Continued from page 2)
warned that VCRs would cut into producers' profits. Those losses never materialized, Ferris said. Instead, VCRs yielded "a huge bounty" for video producers, he said.

"Hollywood is making more money from VCR's than it does from movie theatres," he said. *Variety*, the entertainment tabloid, reported that consumer spending on rental and purchase of video cassettes in 1985 skyrocketed to $4.6 billion. In comparison, the domestic box office was projected at only $3.8 billion during the same year.

Ferris also testified that in the four years of explosive growth in home video, annual Hollywood box office revenues rose 38%.

"Many theater exhibitors believe that the effect of VCRs on theater attendance is either positive or minimal," he said.

Unpersuaded by the Coalition's arguments, Valenti and movie executives told the Senate committee that back-to-back copying is "thievery" that will "break the back" of U.S. copyright owners, video store operators and ultimately the consumer.

CBS/Fox President James F. Fifield said the proposed legislation would not expand the present copyright law but would make it possible "to more effectively enforce existing law."

Valenti said the chief elements of such a law would be:

- A requirement that all future VCRs include a device capable of frustrating back-to-back copying of protected, copyrighted, video cassettes and discs;
- Establishment of a required "level of effectiveness" that any anti-copying system must satisfy, and;
- Prohibition of "black boxes" designed to defeat the anti-copying technology.